



ALAMEDA COUNTY
CONGESTION MANAGEMENT AGENCY

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July 7, 2009
Agenda Item 4.3.1

Memorandum

Date: June 30, 2009

To: ACTAC

From: Matt Todd, Manager of Programming

Re: American Recovery and Reinvestment Act (ARRA) Program Monitoring Requirements

Information

Attached is information regarding various ARRA items including the latest cost savings proposal from MTC and the CMA's proposed monitoring for ARRA projects. Staff will discuss these items at the meeting as well as report on other ARRA-related topics and issues as needed.

ARRA Cost Savings –Revised MTC Proposal

Attachment A is the latest version of MTC's ARRA Cost Savings proposal. A draft version was included in last month's meeting material. The proposal may be revised further after MTC receives a response from Caltrans.

ARRA Monitoring

The ACCMA intends to expand its current project monitoring efforts to include projects funded by the American Recovery and Reinvestment Act of 2009 (ARRA). While the ARRA funds are essentially federal funds and thereby are subject to the same federal aid procedures and requirements as other federal funds such as STP, CMAQ, and Earmarks, certain requirements specific to ARRA funding have been incorporated in "interim" requirements recently distributed by the Caltrans Division of Local Assistance (DLA). These new ARRA requirements come at the same time that the State's Disadvantaged Business Enterprise (DBE) Program is switching from Race Neutral to Race Conscious, which also introduces new process and reporting requirements related to federal funding. The underlying basis for all of the federal requirements remains the Local Assistance Procedures Manual (LAPM), however updates of the LAPM have lagged the quick pace at which ARRA, DBE Race Conscious and other new requirements have been issued by the DLA and the Federal Highway Administration (FHWA).

Most recently, Sylvia Fung, the Chief of Caltrans District 04 Office of Local Assistance, distributed construction oversight information for ARRA projects via an email dated June 10, 2009. The email had two attachments: 1) The first document titled, "Interim Construction Oversight Plan," signed by the DLA and the FHWA (Included as Attachment B); and 2) The second document titled, "Construction Oversight Information Notice #09-02," or DLA COIN Issue #09-02 (Included as Attachment C). The first issue of COIN, DLA COIN Issue #09-01, is included in Attachment B. Local agencies are encouraged to be aware of the latest version of the

COIN distributed by the DLA. Each issue typically addresses a single aspect of delivering federal aid projects and includes discussions about related requirements.

Much of the information included in the first two issues of COIN is included in Chapters 15 and 16 of the LAPM which address project delivery requirements for advertising, awarding and administering federally-assisted construction contracts. Chapter 17 of the LAPM addresses project completion and closeout requirements. Project sponsors, specifically staff involved with the administration of federal aid contracts, should review Chapters 15, 16 and 17 and the exhibits from those chapters that will be submitted to Local Assistance. By reviewing Chapters 15, 16 and 17 in advance of advertising, awarding and administering a federally funded contract, local agencies can ensure that the prerequisite activities and documentation requirements are appropriately included in procedures and contract documents.

Many of the items on the various exhibits reflect activities or documents that must be performed or prepared in advance of submitting the exhibit(s) to Local Assistance. For example, some of the documentation related to DBE and UDBE goals that the Local Agency must submit to Local Assistance must originate from the Contractor. The same is true for some of the ARRA reporting. If the Local Agency does not include the necessary forms in the contract documents, the contractor may be less likely to provide them in a timely fashion for the Local Agency to submit them to the DLA and/or FHWA.

The ARRA project monitoring to be performed by the ACCMA is intended to be a resource to project sponsors in a fashion similar to our current project monitoring efforts. The ACCMA Project Monitoring Team will continue to highlight notices and documentation associated with required submittals to Local Assistance in addition to general information about the ARRA funding requirements that are released by MTC, Caltrans and the FHWA. In light of the fast pace at which some of the documentation has been distributed by Caltrans and the FHWA to date and the short lead time for the required submittals, sponsors of ARRA projects are encouraged to watch for emails such as the one from Sylvia Fung referenced above.

One general federal aid requirement that is specifically noted in the, "Interim Construction Oversight Plan," as a requirement for authorization is the Local Agency Quality Assurance Program (QAP). Local agencies requesting authorization of federal funds for construction must have an approved QAP. An agency's QAP is primarily a sampling and testing program to assure that materials and workmanship incorporated in each highway construction project are in conformance with the contract specifications. An agency's QAP may be different for projects on the National Highway System (NHS) and projects off the National Highway System (Non-NHS). Chapter 16 of the Local Assistance Procedures Manual (LAPM) addresses QAP requirements including the requirement for an agency's QAP to be documented and approved by the Public Works Director. The QAP is not a new requirement and most agencies probably have one on file with Local Assistance, but given that the QAP is specifically mentioned in the "Interim Construction Oversight Plan," it is recommended that local agencies be prepared to verify that their current QAP meets the requirements set forth in Chapter 16 of the LAPM. The QAP is required to be in the project files as confirmed on Exhibit 15-B of the LAPM that must be submitted with the Award Package. Exhibit 15-B must be signed by the Resident Engineer and, if the RE is a consultant, it must also be signed by the "Local Agency's Person in Responsible (Local) Charge".

It is anticipated that ARRA projects will receive increased oversight and monitoring by the DLA and FHWA to verify that all federal aid requirements, including new Race Conscious DBE requirements, are satisfied. Local Agencies have already experienced increased scrutiny at the time of authorization and project closeout due to a local agency program review performed by the FHWA which found, among other findings, that keeping adequate construction records is an area of concern for federal aid projects. The report on the program review was dated September 2008. The resultant emphasis to remedy the record keeping deficiencies has now overlapped with the switch to a Race Conscious DBE Program and the ARRA requirements. The required records and documentation for the construction phase of federal aid projects are no longer fully described in Chapters 15, 16 and 17 of the LAPM (as referenced above). Local agencies must review any new Race Conscious or ARRA requirements distributed by the DLA and not yet incorporated in the LAPM; and then review Chapters 15, 16 and 17 of the LAPM for any requirements not superseded by recent distributions that may be the subject of increased oversight and verification.

An example of one submittal to Local Assistance that is receiving an increased level of monitoring is the submittal of one set (two sets for bridge projects) of “as advertised” plans and special provisions as soon as the project is advertised. This requirement is not in the LAPM, but is on the standard cover letter from the State that transmits the E-76 for the construction phase. It is not clear if a copy of the plans and special provisions must be submitted “as awarded” which would include any addenda issued by the Local Agency. Whether or not the contract documents must be submitted after award, the project sponsor should keep a complete file for the plans and specifications that includes the plans and special provisions at the time of authorization, as they are advertised, and any addenda issued prior to bid opening.

The ACCMA’s ARRA monitoring efforts will focus on the obligation and contract award deadlines for the various rounds of ARRA funding including some required activities that are typically tied to a submittal requirement. The “Date Required” for some of the required activities, and corresponding document submittals, will be based on actual dates for project delivery milestones such as the obligation date, date advertised, etc. The effectiveness of the monitoring will be largely dependent on the cooperation of the project sponsors to provide project delivery status information to the ACCMA Project Monitoring Team in a timely fashion.

The following delivery milestones and required activities are currently the focus of the first round of Regional ARRA LSR funding:

- Obligation (E-76)
- Advertise Contract (ensure latest DBE/UDBE and ARRA contract provisions)
- Bid Opening (consider retention of cost savings at award)
- Award Contract (Deadline for Regional ARRA LSR projects = September 30, 2009)
- Monthly ARRA Employment Reporting (originating from contractor)
- Monthly On-Line ARRA Reporting (LA-ODIS)

Attachments

Attachment A: MTC Cost Savings Proposal, dated June 15, 2009

Attachment B: Interim Construction Oversight Plan & COIN Issue #09-01

Attachment C: COIN Issue #09-02

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Memorandum

TO: Programming and Delivery Working Group

DATE: June 15, 2009

FR: Craig Goldblatt

RE: ARRA Cost Savings Proposal

There have been numerous questions raised by project sponsors regarding how to handle cost savings at the time of awarding an ARRA funded (FHWA) project. Many believe that this is likely given the favorable bid environment that we find ourselves in today.

The following approaches have been discussed as ways to address significant cost savings upon the award of a construction contract for projects under the "System Preservation Projects—Local Streets and Roads" category:

1. In the case where the project sponsor is bringing sufficient local funds to the project budget, lower the ratio of local funds to federal funds in order to maintain the full use of the original ARRA fund amount originally programmed to the project in the TIP.
2. A project sponsor, as a contingency, would include additional project segments or components under its request for authorization and include those as contingencies in the advertisement package. If there are sufficient cost savings upon award, additional project components could be included in the contract. Or conversely if there are no cost savings a number of project components could be deleted. Of course the larger, inclusive project scope must have been already included in the project scope that was reviewed per NEPA.
3. Cost savings could be redirected to another project after award by deobligating ARRA funds and programming them to another project for reobligation. A proposal to do this follows below.

Proposal

If the first two approaches are not workable for a project sponsor, MTC proposes the moving of these cost savings for project with the May 31, 2009 obligation deadline (ARRA regional funded and combined ARRA regional and state funded projects) to other project(s):

- The CMA may pool together cost savings in its county and reprogram these funds to a new project under the same project category type as the original project.
- To minimize the number of projects and workloads on Caltrans Local Assistance during the latter part of the ARRA program time frame, the CMA's are requested to select projects that will use no less than \$500,000 of ARRA funding. MTC will provide flexibility in some cases such as when countywide cost savings do not exceed this amount.
- Projects subject to the May 31, 2009 obligation deadline have until September 30, 2009, to award. Any cost savings may be deobligated and provided to a new project provided that obligation occurs no later than December 31, 2009. It is advisable that a project retain 5-10% of the project cost to address change

order purposes when deobligating federal funds. The award deadline for new projects would be the same as State ARRA funded projects, March 31, 2010.

- Lastly for those projects funded by ARRA, exclusively using State ARRA funds, obligation must occur no later than November 30, 2009 with the contract award no later than June 30, 2010. There is a small window to address cost savings for these projects. The final federal “drop dead” date for reobligating cost savings is September 30, 2010; but in all likelihood an earlier Caltrans deadline is anticipated (TBD) to provide a programming cushion to ensure flexibility to the State to manage and save any left over funding. Therefore there will not be sufficient time in most cases to redirect cost savings to another project. While no formal policy is being offered to address these cost savings, MTC staff offers to work with CMAs on a case-by-case basis if cost savings occur well before June 30, 2010 to explore options, if there will be any. We will keep our partners informed when there is more information on the amount of time that would be available.

We will be discussing these approaches at the next PDWG Meeting. In the meantime, I am waiting to hear back from Caltrans on their views and any other issues that might need to be addressed.

**FEDERAL HIGHWAY ADMINISTRATION (FHWA)
&
CALIFORNIA DEPARTMENT OF TRANSPORTATION
(CALTRANS)**



**INTERIM CONSTRUCTION
OVERSIGHT PLAN**

This plan provides guidelines to local agencies and Caltrans for all Federal-aid projects off the State Highway System (SHS)

APPROVED BY:

Denix D. Anbiah
Chief
Division of Local Assistance
California Department of Transportation

04/30/09
Date

Karen A. Bobo
Local Programs Director
California Division
Federal Highway Administration

05/01/09
Date

APRIL 2009

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INTERIM CONSTRUCTION OVERSIGHT PLAN

Outlined in this plan are the Local Agency's, the District Local Area Engineer's (DLAE), and Division of Local Assistance's (DLA) responsibilities to ensure that the Local Agency Federal-aid Program is being implemented in substantial compliance with federal regulations.

Program-Level Oversight

Construction Performance Measures:

Caltrans DLA will provide quarterly reports to FHWA on the following data (from LP2000):

- Total Cost at Authorization and Date
- Award Amount and Date
- Original and final number of working days for project completion
- Total Final Cost and Invoice Date

Construction Outreach Information Notice (COIN)

Periodic outreach bulletins to DLAEs and Local Agencies – bulletins will serve as reminders and highlight aspects of contract administration that need improvement. **Attachment #1** is an example of the COIN template to be used. The COIN will be posted on the DLA website, sent to FHWA and the DLAEs for distribution to our Local Agency partners, and sent to the DLA list server subscribers. DLA and FHWA will collaborate to provide local agencies information through web conferencing.

Project-Level Oversight

New and existing responsibilities and oversight procedures for Local Agencies and Caltrans, respectively, per the Local Assistance Procedure Manual (LAPM). All exhibits referred to herein are from the LAPM.

Chapter 4 – Agreements

Local Agency

1. Prepare "Local Agency Agreement Checklist" (Exhibit 4-A) and the "Field Review Form" (Exhibit 7-B), if not previously submitted, for project and send to DLAE.
2. Receive Program Supplement Agreement from DLA. If there is no Master Agreement with Local Agency, send concurrently with Program Supplement Agreement.
3. Agreement(s) is signed by designated signatory or passed by resolution. Agreement(s) is sent back to DLA.
4. Receives a copy of executed agreement from DLA.

Caltrans DLAE

1. DLAE is the local agency point of contact and the liaison between DLA and Local Agency.
2. Input date of local agency QAP into LP2000 with, or prior to the request for authorization of construction.

Caltrans DLA

1. Prepare the Program Supplement Agreement after receiving Exhibits 4-A and 7-B from Local Agency and funds for project have been obligated and/or vote allocated by CTC. If there is no Master Agreement with Local Agency, prepare concurrently with Program Supplement Agreement.
2. Send Program Supplement Agreement to Local Agency, after funds are encumbered by Local Program Accounting.
3. Review and sign the returned Program Supplement Agreement signed by the Local Agency.
4. Copies of the executed Program Supplement Agreement are sent back to Local Agency and Local Program Accounting.
5. DLA will not allow an Authorization for Construction to go forward without an approved QAP.

Chapter 15 – Advertise and Award Project

Outlined in this section are project roles and responsibilities for advertising and awarding the Federal –aid construction project.

Local Agency

1. Receives Caltrans approval of its construction administration procedures, prior to advertising a major NHS project.
2. Prepares the “Local Agency Construction Contract Administration Checklist” (Exhibit 15-A), prior to advertising a construction project, and submits to DLAE.
3. Take all reasonable steps to ensure that DBEs are able to compete for and perform contracts.
4. Fills out the “PS&E Certification” (Exhibit 12-C) and certifies that the project’s PS&E package meets all federal and state regulations.
5. Prepares a “Request for Authorization” and, along with other documents (see Section 3.3, “Request for Authorization,” of LAPM) send to Caltrans for approval.
6. Advertises a project only after FHWA issues an “Authorization for Construction.”
7. Provide the DLAE with one set (two sets for a bridge project) of “as advertised” plans and special provisions, as soon as project is advertised.
8. Advertises the project a minimum period of three weeks. Prepare a PIF and submit to the DLAE for approval, if the Local Agency proposes a shorter advertisement period.
9. Will follow its own established bid opening procedures, provided requirements described in Section 15.5, “Contract Bid Opening” are included.
10. After bid opening, complete the “Bid Tabulation Summary Sheet” (Exhibit 15-D) and the “Local Agency Bid Opening Checklist” (Exhibit 15-I) and place in project records. Also, place in the project records the “Local Agency Bidder – DBE (Construction Contracts) – Information” (Exhibit 15-G) and the “Noncollusion Affidavit (Exhibit 12-E, Attachment D), completed by the successful bidder. If the project is located on the NHS, complete the “Submission of Bid Tabulation” (Exhibit 15-E), and the “Bid Price Data” (Exhibit 15-F), if the project costs is \$500,000 or more, and forward both to the DLAE immediately following bid opening.
11. Assure that all bid proposals submitted include a completed addenda certification statement.
12. Must ensure with the DLAE and the RTPA/MPO that there are enough funds available to award the contract, if the bid amount exceeds the Engineer’s Estimate.

13. Should perform a bid analysis to justify the award or rejection of the bids for the project in accordance with Subsection "Bid Analysis Process." For a project on the NHS the Local Agency is required to perform a bid analysis.
14. Shall award the project to the lowest responsive and responsible bidder following its normal procedures. If the contract is awarded to other than the lowest bidder, written justification needs to be included in the project records. Also, retain in the project records the executed contract, document the award date and preconstruction meeting minutes. [15-13] (Exceptions to the competitive bid process are described Section 12-4, "Method of Construction," specifically force account.)
15. Conduct approximately every 2 years a post-award review of projects to see if any abnormal bid patterns exist.
16. Shall terminate and complete defaulted federal-aid contracts in accordance with Subsection "Termination of Contracts."
17. Will submit within 60 days of award and with the first invoice the following documents to the DLAE:
 - "Local Agency Contract Award Checklist" (Exhibit 15-L)
 - "Detail Estimate" (Exhibit 15-M)
 - "Finance Letter" (Exhibit 15-N)
 - "Resident Engineer's Construction Contract Administration Checklist" (Exhibit 15-B)
 - "Local Agency Bidder – DBE (Construction Contracts) Information" (Exhibit 15-G (2))

Caltrans DLAE

1. Approves PIF for contract advertisement period of less than 3 weeks.
2. Approves the construction administration procedures for major NHS projects.
3. Reviews and concurs with the Local Agency on terminating a contract for a FHWA High Profile project. Forwards the recommendation to DLA to FHWA for approval.
4. Review the "Local Agency Contract Award Checklist" (Exhibit 15-L) to determine if project is eligible for federal funds.
5. Reviews all documents sent from the Local Agency for format and reasonableness. Required documents are sent to DLA. If the documents include the first invoice also send to Local Program Accounting, after review and approval.
6. Will prepare a revised E-76 after receiving the "Detail Estimate" (Exhibit 15-M) from the Local Agency.

Caltrans DLA

1. Will review the award package supplied with the first invoice, and will track forms included or missing from the award package and ensure that the DBE information provided is entered into LP2000. If the DBE information supplied is not entered into LP2000, will enter it. A copy of the "Local Agency Bidder – DBE (Construction Contracts) Information" (Exhibit 15-G (2)) will be kept on file.

Chapter 16 – Administer Construction Contract

Outlined in this section are project roles and responsibilities for administering the Federal-aid construction contract.

Local Agency

1. Ensures that force account work is in compliance with Section 12.4, "Contracting Method," of the LAPM.
2. Will provide adequate field staff and equipment to administer the construction project, including a qualified engineer, and fulfill all requirements of the contract. Names and titles of the staff members shall be kept in the project records.
3. Will employ field staff that are knowledgeable of safety rules and regulations, i.e., FHWA Form 1273 Section VIII, "Safety – Accident Prevention," and the California Division of Industrial Safety "Construction Safety Orders."
4. If using a consultant for construction engineering, will provide a full-time employee that is in responsible charge of the project. However, this requirement is waived if a consultant is being retained as the City Engineer.
5. Will ensure that the contractor designates, in writing, a person authorized to supervise the work and to act for the contractor.
6. Ensures that material samples are taken and testing performed in accordance with the Local Agency's Quality Assurance Program and contract special provisions.
7. Ensures that daily reports are kept by the engineer and inspectors of their and the Contractor's activities. Daily reports will follow the guidelines in Section 16.7, "Engineer's Daily Reports."
8. Resident Engineer may ask for help from the DLAE, if a construction problem arises.
9. Is encouraged to partner with the Contractor to maintain open communication and to mutually resolve field problems to the benefit of all parties.
10. Should schedule a preconstruction meeting with the Contractor, major subcontractors, DLAE and other affected agencies; local, state or federal authorities and utility companies.
11. Shall maintain a record of the contractor's progress and keep track of the number of working days.
12. Shall follow the subcontracting procedures outlined in Section 16.6, "Subcontracting," for federal-aid projects on the NHS. Specifically, minimum percentage of work that a Contractor must do with their work force and the substitution of first tier subcontractors.
13. Ensures job records are complete, in one location, and organized in accordance with subsection "Organization of Files."
14. Will prepare a progress invoice and submit to the DLAE and Local Program Accounting Branch for reimbursement. The progress invoice will be supported with documentation outlined in Section 16.9, "Construction Records and Accounting Procedures."
15. Will designate a labor compliance officer who will ensure that labor compliance regulations are met in accordance with the contract special provisions and Section 16.11, "Labor Compliance."
16. For labor compliance violations the Local Agency will notify DLAE and the US Department of Labor.
17. Will document the Contractor's compliance with EEO requirements in accordance with FHWA Form 1273. Will collect and submit to the DLAE FHWA form PR-1391 by August 25 of each year.
18. Shall prepare change orders for changes to the contract work. Change orders shall be executed by the Local Agency prior to the start of the change order work. Will not execute change orders that require authorization of additional federal funds, until receiving written confirmation from the DLAE and RTPA/MPO that funds are available. However, if the change order is for emergency work, verbal approval from the DLAE and RTPA/MPO is acceptable, to be followed up in writing. For additional information on change orders, see Section 16.13, "Contract Change Order," and Chapter 5, "Change Orders," of the Caltrans Construction Manual.

19. Will use the Dataquest Rental Rate Blue Book or Caltrans' Labor Surcharge & Equipment Rental Rate to determine change order costs for the Contractor's equipment.
20. Will determine if the change order work is participating or not, in regards to using federal funds. Questions regarding this matter may be directed to the DLAE.
21. Will have an updated Quality Assurance Program, for testing materials, that is in accordance with the Caltrans "Quality Assurance Program (QAP) Manual For Use by Local Agencies" Manual, as posted on the Local Assistance web site.
22. Will notify the DLAE and METS when independent assurance assistance is needed and will have METS review the local agency's QAP.
23. Will provide as needed source inspections for manufactured and prefabricated materials at locations other than the construction site. If the Local Agency is unable to perform source inspection and qualified consultants are unavailable, contact the DLAE and request that Caltrans perform the source inspection in accordance with subsection "Source Inspection."
24. Will incorporate into the job records all material records of samples and tests, material releases, certificate of compliance, weight slips/tags, and initial test reports.
25. Shall provide the DLAE a "Materials Certificate" after the project has been completed.
26. Will avoid claims by preparing contract documents that are accurate, current, and complete. However, if claims do occur the Local Agency will follow the administrative claims procedure in the contract special provisions. Complex claims should be brought to the attention of the DLAE.
27. Will provide the Contractor with all required posters to be posted on the job site.
28. Shall have a traffic control plan (TCP) for handling traffic through the construction work zone and a responsible person to assure that the TCP is followed.

Caltrans DLAE

1. DLAE will participate in and document pre-construction meetings on a periodic basis.
2. DLAE provides assistance to Local Agency Resident Engineers if staff is available.
3. Review all local agency invoices (progress/final) and support documentation and approve before sending to Local Program Accounting. See Chapter 5, "Accounting/Invoices" for detailed progress/final invoice format, support documentation and processing requirements
4. DLAE shall periodically perform inspections of the Local Agency's job records.
5. DLAE will keep track of labor compliance violations on projects.
6. DLAE and District Labor Compliance will monitor Local Agency labor compliance through a process review or mini process review.
7. DLAE will collect the FHWA form PR-1391 and forward to the Division of Local Assistance Civil Rights Coordinator no later than August 30 of each year.
8. Will help Local Agencies determine if change order work is participating or not, in regards to using federal funds.
9. Will conduct process reviews to monitor change orders annually.
10. Will assist the Local Agency in obtaining independent assurance (IA) services and source inspection from METS.
11. Will provide limited guidance to the Local Agency on contractor claims, depending on the complexity and size of the claim, and the availability of the DLAE's staff.

Caltrans DLA

1. Delegates responsibility of contract administration and construction inspection to Local Agencies by way of master agreements and program supplements.

Caltrans METS

1. Will perform independent assurance (IA) services, in accordance with the QAP Manual, for Local Agencies with Federal-aid projects on and off the NHS. Will certify Local Agency and consultant material labs, samplers and testers in the use of the California Test Methods. Will review the Local Agency's or consultant's submitted QAP and provide feedback to the Local Agency, consultant and DLAE.
2. While performing IA services, will interview R.E. with a set of questions, see **Attachment #2**, to test R.E.'s knowledge of the QAP and maintaining material records. Responses to question will be kept in a database and will help identify for METS changes needed to enhance future IA service to local agencies.
3. Will perform source inspections for Local Agencies, if resources are available.

Caltrans DLA - Construction Oversight Engineers

The construction oversight engineers will be located throughout California and will be responsible for monitoring local agency federal-aid construction projects off the state highway system taking place in a region or district.

Oversight engineers will be responsible for the following:

1. Visit 5 to 10 project sites per month.
2. Visit project site 3 times:
 - a) Start of construction, preferably at the pre-construction meeting or before the work has started. Will go over "Review Form," see **Attachment #3**, with R.E. and answer any questions he or she may have.
 - b) Mid-point of project or during active construction season. Will perform review in accordance with the "Review Form."
 - c) After job acceptance, perform another review.
3. "Review Form" will be graded on % of yes responses. Overall goal is 100%. The oversight engineer will also comment in writing on outstanding issues both good and bad.
4. "Review Form" will go to HQ and DLAE
5. DLAE will send to Local Agency and work with Local Agency on any shortcomings
6. Conflict between DLAE, Oversight Engineer and Local Agency will be decided by DLA.

Caltrans DLA - Construction Oversight Program Coordinator

A Senior Level Engineer will act as the Statewide Construction Oversight Program Coordinator in Division of Local Assistance Headquarters, and will be responsible for the following:

1. Will determine projects to be reviewed. This will be done using LP2000 and choosing projects at random.
2. Will work with oversight engineers to ensure consistency in evaluating local agencies. This may include traveling with oversight engineers and observing site reviews.
3. Will act as a liaison with FHWA and oversight engineers.
4. Prepare quarterly reports to FHWA:
 - a) List number and type of negative responses
 - b) Scores – Goal is 100%
 - c) Number of projects reviewed
 - d) Stage of construction, i.e., first or last inspection
 - e) Actions to correct problems – COIN, training or withholds
5. Ensure data from reviews is input into database.
6. Will input data from “Review Form” into LP2000.
7. Help resolve conflicts between parties, i.e., local agency, DLAE and oversight engineer and if conflicts can not be resolved to the satisfaction of all the parties, will make the final decision.
8. Work with other divisions within Caltrans/FHWA to keep up with construction practices.
9. Modify “Review Form” to keep current and proactive.
10. Prepare Construction Outreach Information Notice (COIN), a periodic outreach bulletin to DLAEs and Local Agencies that will serve as a reminder and highlight areas and aspects of contract administration needing improvement. The COIN will be posted on the DLA website, sent to FHWA and the DLAEs for distribution to our Local Agency Partners, and also sent to the DLA list server subscribers.

Division of Occupational Safety and Health

Will inspect construction site for worker safety and take action if unsafe or unsanitary conditions exist.

FHWA

Review job records in field.

Chapter 17 – Project Completion

Outlined in this section are project roles and responsibilities for closing a Federal-aid construction contract.

Local Agency

1. Shall document environmental mitigation commitments for the final inspection Report of Expenditures in accordance with Section 17.3, “Final Inspection Procedures for Federal-aid Projects.”
2. Will create punch list of work to be completed prior to contract acceptance. After all work has been finished and the construction contract has been accepted, will complete Item 1-10 of the “Local Agency Final Inspection Form” (Exhibit 17-C) and forward to the DLAE.
3. Shall provide “As-Built” plans of the structure work to the DLAE.

4. Will prepare the "Report of Expenditures" within 6 months after project completion and submit to the DLAE. It shall include the following:
 - a) Cover Letter and Report of Expenditures Checklist (Exhibit 17-A)
 - b) Local Agency Final Inspection Form (Exhibit 17-C)
 - c) Final Invoice (Exhibit 17-D)
 - d) Final Detail Estimate – see Section 15.7 "Award Package"
 - e) Change Order Summary (Exhibit 17-E)
 - f) Final Report, Utilization of Disadvantaged Business (DBE) and Woman-Owned Business Enterprise (Exhibit 17-F)
 - g) Disadvantaged Business Enterprises (DBE) Certification Status Change (Exhibit 17-O)
 - h) Materials Certificate (Exhibit 17-G)
 - i) Cover Letter and Report of Completion of Structures on Local Streets and Roads (Exhibit 17-I and 17-J)
 - j) Report of Completion of Right of Way Expenditures (Exhibit 17-K)
 - k) Report of Expenditures for Force Account Projects (Exhibit 17-L)
6. Ensure the Final Invoice and the Final Detail Estimate match.
7. Maintain project documentation for three years from the date of the final invoice.

Caltrans DLAE

1. Will review the job site, after receiving the "Local Agency Final Inspection Form" (Exhibit 17-C) from the Local Agency, and verify that the project was completed within scope of the work contemplated and in accordance with the contract plans. If the work is satisfactory, will complete Item 11-13 of the "Local Agency Final Inspection Form" (Exhibit 17-C), sending a copy to the Local Agency.
2. Will forward structure "As-Built" plans on to the Division of Construction, along with a copy of the "Report of Completion of Structures" (Exhibit 17-J).
3. DLAE will review the Report of Expenditures for correct format and obvious error and/or admissions. After the DLAE verifies the report shall forward to Local Program Accounting.
4. Will input final cost and final invoice date into LP2000.
5. Will receive the Cover Letter and Report of Completion of Structures on Local Streets and Roads (Exhibit 17-I and 17-J) from the Local Agency.

Caltrans Oversight Engineer

1. Will review FHWA Full Oversight (New or Reconstruction > \$1 Million) project site, after receiving the "Local Agency Final Inspection Form" (Exhibit 17-C) from the Local Agency, to ensure that the project has been completed in accordance with the plans and specifications. If all work is satisfactory, will forward the information to FHWA.
2. Coordinate final inspection with FHWA in accordance with Caltrans "Oversight Field Engineer Guidelines."

Caltrans DLA

Receive copy of the Final Report of Expenditure and close out project after Local Program Accounting submits final invoice to Local Agency.

FHWA

For "High Profile" Projects (for criteria see California Stewardship & Oversight Agreement signed (September 4, 2007) inspect to ensure that the project has been completed in accordance with the plans and specifications.

FEDERAL-AID PROJECT RESPONSIBILITIES FOR DELEGATED PROJECTS OFF THE NATIONAL HIGHWAY SYSTEM¹

(Pursuant to the 2007 FHWA and Caltrans - *Joint Stewardship and Oversight Agreement*)

Project Action/Activity	Local Agency	Caltrans DLAE	Caltrans DLA	FHWA
Project Authorization (Chapter 3)				
Construction Authorization [23 CFR 630.110]	Prepare	Recommend	Recommend	Approve ²
Obligate Funds	-	-	-	Approve
Vouchers	-	-	-	Approve
Advertise & Award Project (Chapter 15)				
Consultant Agreements [23 CFR 172.7-172.9]	Approve	-	-	-
Public Interest Finding (PIF) - Advertising Less than 3 Weeks [23 CFR 635.112]	Prepare	Approve	-	-
Advertise Project	Approve	-	-	-
Advertisement Addendum [23 CFR 635.1129(c)]	Approve	-	-	-
Award of Project [23 CFR 635.114]	Approve	-	-	-
Rejection of All Bids [23 CFR 635.114]	Approve	-	-	-
Award Package – Including DBE Reporting	Prepare	Accept	-	-
Administer Construction Contract (Chapter 16)				
Contract Administration and Inspection	Certify	Verify ³	-	Verify ²
Subcontracting Requirements [23 CFR 635.114]	Certify	- ²	-	- ²
Quality Assurance Program	Approve	Accept ²	-	- ²
Contract Change Orders (no increase in federal funds)	Approve	- ²	-	- ²
E-76 Modification for CCO with increases in federal funds	Prepare	Recommend	Recommend	Approve ¹
Environmental Commitments	Implement	- ²	-	- ²
Contract Time Extensions [23 CFR 635.120&121]	Approve	- ²	-	- ²
Termination of Construction Contract [23 CFR 635.125]	Approve	- ²	-	- ²
Settlement of Construction Contract Claims	Approve	- ²	-	- ²
Incentive/Disincentive Amount Justification [23 CFR 635.127]	Approve	- ²	-	- ²
Liquidated Damages [23 CFR 635.127]	Approve	- ²	-	- ²
Materials Certification [23 CFR 637.207]	Certify	Accept	-	-
Reimbursement Invoice	Prepare	Recommend	Recommend	Approve
Project Completion (Chapter 17)				
Final Inspection/Contract Acceptance [23 USC 114(a)]	Approve	-	-	-
Project Verification	Recommend	Approve	-	-

¹ These project responsibilities also apply to delegated activities on High Profile Projects.

² FHWA performs a cursory review of all authorizations, modifications and final vouchers; a more in-depth review is performed on sampled projects.

³ Verification is defined as routine, independent confirmation of local agency self-certifications for sampled projects. Caltrans and FHWA can verify any aspect of construction contract administration as part of construction field reviews.

Project Action/Activity	Local Agency	Caltrans DLAE	Caltrans DLA	FHWA
Final Report of Expenditures	Prepare	Approve	?	Approve ¹
Post-Project Audits			?	Verify ²

DIVISION OF LOCAL ASSISTANCE



CONSTRUCTION OVERSIGHT INFORMATION NOTICE



DLA COIN Issue #09-01

Release date: April 28, 2009

Welcome to COIN!

This is the first issue of a new Caltrans Local Assistance Program publication — the Construction Oversight Information Notice, or “COIN” for short. These short, single-topic bulletins are intended to provide outreach information and guidance to local agencies on issues pertaining to the construction of Federal-aid projects. They will cover a wide variety of subjects, including discussions of findings resulting from process reviews by Caltrans and/or FHWA, changes in procedures or regulations, reminders of existing procedures or best practices, and other timely information. The goal is to ensure proper and timely delivery of Federal-aid projects. Please ensure that Resident Engineers on all Federal-aid projects receive copies of these notices.

Our First Topic: Keeping Adequate Construction Records

The issue: A significant point made in the FHWA “Local Agency Program Review, Phase II” report, dated September 2008, relates to project records. Specifically, one of the most recurrent findings was that project files were incomplete, and that documentation problems were most often found in the construction phase. As the report states, “**complete and organized projects files are essential in demonstrating compliance with laws, regulations and policies.**” Important construction record keeping areas include:

- Project correspondence
- Materials data (including inspection and testing reports)
- Resident Engineer/Construction Inspector daily diaries
- Contract item pay quantity documents
- Contract Change Orders (CCO's) and claims
- Labor Compliance/EEO records (including certified payrolls and employee interviews)
- DBE participation reports

Our advice: The best source of information for construction project record keeping requirements is the **Caltrans Local Assistance Procedures Manual (LAPM)**. In particular, **Exhibit 15-B**, the “**Resident Engineer's Construction Contract Administration Checklist**”, and **Chapter 16**, “**Administer Construction Contracts**” contain valuable information on this subject. You can find these resources at our website, <http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>. Your Caltrans District Local Assistance Engineer (DLAE) can also help you with any questions you may have.

The Construction Oversight Information Notice (COIN) is prepared by Caltrans, Division of Local Assistance, Office of Policy Development and Quality Assurance. Comments or suggestions should be directed to the COIN Editor: Tom_Glover@dot.ca.gov.

LOCAL ASSISTANCE CONSTRUCTION OVERSIGHT

ASSESSMENT NO.

(example NO. IA09- 01David, or I IA09-02David, so on)

FEDERAL AID NO.

PROJECT:

LOCAL AGENCY:

RESIDENT ENGINEER:

DATE:

A. QUESTIONS FOR RESIDENT ENGINEER	Unsatisfactory*	Satisfactory	Excellent*
1. Is there an approved Quality Assurance Program (QAP)?			
2. Is the QAP being followed?			
3. Are records of material tests organized and accessible?			
4. Is staffing available to perform materials testing as needed?			
5. Are samplers, testers, and laboratory certified and by whom?			
6. What materials are accepted by the RE by certification?			
7. Do records show failed tests and actions taken by RE?			
8. Are Certificates of Compliance being provided per the contract?			
9. Is source inspection occurring of material listed in LAPM Exh16-I?			
10. Are "Buy America" requirements met on invoices/certifications?			
	* Provide written justification 4.17.09		

Discuss the following areas below with the local agency:

1. How is Independent Assurance (IA) now performed?	_____
2. Is the local agency aware of METS IA services?	_____
3. Is their present IA program satisfactory?	_____
4. What are their material testing capabilities?	_____
5. Is contractor paid only for acceptable materials?	_____
6. Is a consultant being used for materials testing?	_____
7. If so, how was the consultant selected?	_____
8. Are California Test Methods used? If not, what are?	_____

Distribution: Original: IA file, Copy: METS, DLAE (for action), DLA Oversight Engr

9/06/01

District Construction Monitor Review Form

Local Agency: _____ Project No. _____
 Reviewed by: _____
 Date: _____ Contract Amount \$ _____ % Work Complete _____
 Type of Work: _____ Location: _____

(LAPM Page #)

Project Staffing: (16-5)

Is there a list of names and titles of all staff assigned to the project?

yes ☐ no ☐ Comments:

Who is the Resident Engineer, and is that person in responsible charge of the project?

yes ☐ no ☐ Comments:

In Case of Emergency: (16-13)

Is there a list of names, addresses, and telephone numbers of responsible members of Local Agency/Consultant/Contractor's personnel?

yes ☐ no ☐ Comments:

Is there a map showing the location of a neighborhood medical facility with their address, telephone number and office hours? (Review jobsite)

yes ☐ no ☐ Comments:

Authorization: (15-6)

What is the date of the "Authorization to Proceed for Construction"?

What was the date the project was advertised?

What was the bid opening date?

Project Files: (16-10)

Are the files in an established order?

yes ☐ no ☐ Comments:

Index used on this project is local agency's standard for all jobs ☐

Or, for Federal-aid jobs only ☐

Comments:

Resident Engineer's/Construction Inspectors Daily Diaries: (16-10 & 16)

Are they current, thorough, and neat?

yes ☐ no ☐ Comments:

Construction Records and Accounting Procedures: (16-12)

Is the Detailed Estimate and Finance Letter in the project files?

yes ☐ no ☐ Comments:

Does the RE know the amount of Federal-aid funds encumbered for the project?

yes ☐ no ☐ Comments:

Is the Program Supplement Agreement on file?

yes ☐ no ☐ Comments:

Is the RE aware of the Program Supplement Agreement covenants?

yes ☐ no ☐ Comments:

Are there source documents supporting progress payments made to contractor?

yes ☐ no ☐ Comments:

Are there separate item sheets for each contract item paid? Randomly check.

yes ☐ no ☐ Comments:

Is there a procedure for Administrative or Labor Compliance deductions in the contract?

yes ☐ no ☐ Comments:

Is the State invoiced after progress payments are made to the contractor?

yes ☐ no ☐ Comments:

Contract Time: (16-8)

Is there an established method to account for contract time?

yes ☐ no ☐ Comments:

Labor Compliance: (16-15)

Are diaries spot-checked against certified payrolls?

yes ☐ no ☐ Comments:

What is the established method?

EEO/Wage Rate Posters: (16-16)

Are the Federal posters posted for every worker to see at, or near, the contractor's office at the construction site, or at the worker's central gathering point? (Review jobsite)

yes ☐ no ☐ Comments:

Employee Interviews: (16-16)

Is the local agency conducting employee interviews?

yes ☐ no ☐ Comments:

Have the interviews been signed and dated?

yes ☐ no ☐ Comments:

OJT: (12-22 & 16-16)

Are OJT requirements included in the contract?

yes ☐ no ☐ Comments:

Is there documentation to account for the apprentices on the job?

yes ☐ no ☐ Comments:

DBE: (9-4)

Is a copy of the contract Bidder DBE Information Form in the project files?

yes ☐ no ☐ Comments:

What was the contract DBE goal?

What is the contractor's DBE goal?

If the contractor's goal is less than the contract goal, is there a "good faith" statement in the project files?

yes ☐ no ☐ Comments:

How is the local agency checking for DBE goal compliance?

Payrolls?

yes ☐ no ☐ Comments:

Interviews?

yes ☐ no ☐ Comments:

Diaries?

yes ☐ no ☐ Comments:

Additional Methods:

Prompt Payment: (9-9)

What does the RE know about the subcontractor prompt payment requirements in the contract?

yes ☐ no ☐ Comments:**CCOs: (16-18)**

Is there a process for CCO approval?

yes ☐ no ☐ Comments:

List of the approved CCOs.

yes ☐ no ☐ Comments:

Randomly check CCOs for Federal-aid eligibility, report on findings.

Comments:

Traffic Safety in Highway and Street Work Zones: (16-45)

(If the project involves work on a existing highway or roadway)

Is there a Traffic Control Plan (TCP)/Traffic Management Plan (TMP) in the PS&E?

yes ☐ no ☐ Comments:

Field review the project to see if the TCP/TMP agrees with the actual conditions, report on findings.

Comments:

Is the local agency analyzing construction work site traffic accidents for the purpose of correcting deficiencies, which might be found to exist on individual projects and to improve the content of future TCP/TMPs?

Materials Files: (16-23)

Is the Local Agency's Quality Assurance Program (QAP) in the RE's Office?

yes ☐ no ☐ Comments:

If local agency staff is performing acceptance testing, are copies of the local agency material tester's certification in the project files?

yes ☐ no ☐ Comments:

Has the local agency hired a consultant to do the materials testing for this project?

yes ☐ no ☐ Comments:

Is there a copy of the consultant's QAP in the project files?

yes ☐ no ☐ Comments:

Is the local agency adhering to their QAP?

yes ☐ no ☐ Comments:

Do the files back it up?

yes ☐ no ☐ Comments:

Does the local agency have a procedure for and filing of:

Notice of Materials to be used?

yes ☐ no ☐ Comments:

Certifications of Compliance?

yes ☐ no ☐ Comments:

Do all Certifications of Compliance contain the required information?

yes ☐ no ☐ Comments:

"Buy America" Requirements included on invoices and certifications?

yes ☐ no ☐ Comments:

Are there Acceptance Sampling and Testing Reports in the files?

yes ☐ no ☐ Comments:

Are trial batch test results properly identified and acceptable?

yes ☐ no ☐ Comments:

Is there a "Summary Log" of tests?

yes ☐ no ☐ Comments:

What is the frequency of tests?

Frequency tables used?

yes ☐ no ☐ Comments:

Is the frequency of tests being monitored?

yes ☐ no ☐ Comments:

Are failed tests documented in the files with cross references to re-tests?

yes ☐ no ☐ Comments:

Does the Resident Engineer see the test reports?

yes ☐ no ☐ Comments:

Environmental: (6-15)

Is the environmental document for this project in the RE's files?

yes ☐ no ☐ Comments:

Is the construction project adhering to the mitigation requirements in the document?

yes ☐ no ☐ Comments:

Bridge Projects (only)**Concrete records (16-23)**

Are all approved concrete mixes on file?

yes ☐ no ☐ Comments:

Was a letter of approval written for all approved mixes?

yes ☐ no ☐ Comments:

Are proper tests being recorded on pour record?

yes ☐ no ☐ Comments:

Are load slips for PCC being properly filled out?

yes ☐ no ☐ Comments:

Bridge CCO's (16-18)

For bridge design changes, has the bridge designer authorized the change?

yes ☐ no ☐ Comments:

Review set of approved falsework plans.(16-3)

Is the falsework log on file?

yes ☐ no ☐ Comments:

Properly stamped?

yes ☐ no ☐ Comments:

Plans for erection & striping provided?

yes ☐ no ☐ Comments:

Calculations complete?

yes ☐ no ☐ Comments:

Are the records of camber and falsework deflection calculations performed by the Engineer?

yes ☐ no ☐ Comments:

Are records of falsework soffit and deck grades supplied to the contractor by the Engineer which will accommodate falsework settlement, falsework deflection, and the bridge camber requirements?

yes ☐ no ☐ Comments:

Is there a letter from the contractor certifying that the erected falsework substantially meets the approved falsework plans **prior** to concrete pour of bridge soffit/deck ?

yes ☐ no ☐ Comments:

Are there any records of falsework settlement during and after the concrete pour?

yes ☐ no ☐ Comments:

Prestressing (16-3)

(If the contract requires prestressing.)

Are the initial shop drawings for prestressing (submitted by the contractor) on file?

yes ☐ no ☐ Comments:

Are they properly stamped?

yes ☐ no ☐ Comments:

Are the final set of shop drawings for prestressing on file?

yes ☐ no ☐ Comments:

Properly stamped?

yes ☐ no ☐ Comments:

Is there a record in the RE/inspector's diary to indicate that the prestressing ducts were checked for any obstruction after the soffit/deck concrete pour, and before placing the strands?

yes ☐ no ☐ Comments:

Are the records of actual prestressing in file?

yes ☐ no ☐ Comments:

Are the contractor's pressure gauges certified? Is the gauge certification still valid?

yes ☐ no ☐ Comments:

Is there a proper documentation of, i) Actual strand elongation v/s theoretical elongation?,
ii) Load cell readings v/s contractor's gauge readings?

yes ☐ no ☐ Comments:

Are there records of grouting in file? Is the certificate of compliance for the cement used in file?

yes ☐ no ☐ Comments:

Profilographs (16-23)

(If there is a new bridge deck, or if the existing deck has been modified)

Are the profilographs taken before and after the deck grinding? Are all the profilograph records in file?

Review set of approved shoring plans (16-3)

(If there is shoring on the project.)

Properly stamped?

yes ☐ no ☐ Comments:

Calculations complete?

yes ☐ no ☐ Comments:

Welding (16-23)

(If there is welding in the contract.)

Does the contract require the Contractor to have a Quality Control Plan for welding?

yes ☐ no ☐ Comments:

Is a copy on file?

yes ☐ no ☐ Comments:

Are all Welder qualification tests on file?

yes ☐ no ☐ Comments:

Are the Weld Procedures Specifications on file?

yes ☐ no ☐ Comments:

Are the Contractor's certified copies of test reports for electrodes on file?

yes ☐ no ☐ Comments:

Are "As built" changes being currently maintained on a set of plans or in a file? (17-4)

yes ☐ no ☐ Comments:

Additional comments:

DIVISION OF LOCAL ASSISTANCE



CONSTRUCTION OVERSIGHT INFORMATION NOTICE



DLA COIN Issue #09-02

Release date: June 10, 2009

Welcome to COIN!

This is the second issue of a new Caltrans Local Assistance Program publication — the Construction Oversight Information Notice, or “COIN” for short. These short, single-topic bulletins are intended to provide outreach information and guidance to local agencies on issues pertaining to the construction of Federal-aid projects. They will cover a wide variety of subjects, including discussions of findings resulting from process reviews by Caltrans and/or FHWA, changes in procedures or regulations, reminders of existing procedures or best practices, and other timely information. The goal is to ensure proper and timely delivery of Federal-aid projects.

Our Topic: FHWA Risk Management Plan for Recovery Act Projects

The Issue: The Federal Highway Administration (FHWA) has identified “Local Public Agency” projects funded with federal-aid “American Recovery and Reinvestment Act of 2009 (Recovery Act)” funds as being high risk and requiring a significant increase in oversight by Caltrans and FHWA.

Recently an “Interim Construction Oversight Plan” was jointly developed by Caltrans, FHWA, and local agency representatives which identifies local agency, District Local Assistance Engineer (DLAE), and Division of Local Assistance (DLA) responsibilities from chapters of the Local Assistance Procedures Manual associated with projects during construction. The “Interim Construction Oversight Plan” is available for your information on the Caltrans Division of Local Assistance website at:

http://www.dot.ca.gov/hq/LocalPrograms/Reports_db.htm

In addition to increased oversight for Recovery Act projects by Caltrans Local Assistance and FHWA California Division, FHWA will also be fielding “National Review” teams to evaluate Recovery Act projects. Since California is receiving in excess of 60 percent of the Recovery Act funds, a large number of local agencies with Recovery Act projects are expected to be reviewed by FHWA and/or Caltrans Local Assistance. To provide guidance, FHWA has made available the attached draft copy of a 7-page “Local Public Agency (LPA) Federal-Aid Projects Checklist”, a 2-page “Billing/Payment Process of State and Local Governments Division Office Checklist”, and a 2-page “Indirect Costs of State and Local Governments Division Office Checklist - March 10, 2009”. These have been specifically prepared for review of Recovery Act projects. Local agencies with Recovery Act projects should take time to examine these attachments to help ensure that their project will be in full compliance. Any questions regarding these attachments should be emailed to: **eugene.shy@dot.ca.gov**

The Construction Oversight Information Notice (COIN) is prepared by Caltrans, Division of Local Assistance, Office of Policy Development and Quality Assurance. Comments or suggestions should be directed to the COIN Editor: Tom_Glover@dot.ca.gov.



U.S. Department
of Transportation
Federal Highway
Administration



LOCAL PUBLIC AGENCY (LPA) FEDERAL-AID PROJECTS CHECKLIST

The FHWA Risk Management Plan identifies the major risk areas in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). For Division Offices consideration, example checklists have been developed for use in "visible monitoring" efforts. The LPA Checklist should be completed by the Division Office in the review of LPA Recovery Act projects to ensure projects are being administered in accordance with all applicable Federal-aid laws, regulations, and policies.

Also refer to the **Financial Management Checklists**:

- Local Project Administration Policies and Procedures
- Billing/Payment Process of State and Local Governments
- Indirect Costs of State and Local Governments

PROJECT DATA

Item No.		
Federal Project Number		
County		
Route		
Engineer's Estimate		
Contract ID		
Letting Date		
Description		

GENERAL REFERENCES

Regulations and Guidance

<http://staffnet.fhwa.dot.gov/programadmin/localovr.cfm>

PLANNING

Checklist Item	Yes	No	N/A
1. Is the project programmed in the currently approved STIP? 23 CFR 450.216 Ref. _____			
2. Is this project in an MPO area and programmed in the MTP and TIP? 23 CFR 450.322 MTP Ref. _____ 23 CFR 450.324 TIP Ref. _____			

Comments:

ENVIRONMENT

Checklist Item	Yes	No	N/A
1. Has the environmental documentation for the project been approved? 23 CFR 771 <input type="checkbox"/> Programmatic Categorical Exclusion (PCE) Date Approved _____ <input type="checkbox"/> Categorical Exclusion Level 1 (CE-1) Date Approved _____ <input type="checkbox"/> Categorical Exclusion Level 2 (CE-2) Date Approved _____ <input type="checkbox"/> Categorical Exclusion Level 3 (CE-3) Date Approved _____ <input type="checkbox"/> Environmental Assessment (EA) / FONSI Date of FONSI _____ <input type="checkbox"/> Environmental Impact Statement (EIS) / ROD Date ROD Signed _____			
2. Is a reassessment or re-evaluation of the environmental document needed? 23 CFR 771.129			
3. Have environmental commitments been incorporated into the final design and contract documents? Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Historic Preservation 36 CFR 800 Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Stream/Wetland Mitigation 23 CFR 777 Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Noise Abatement 23 CFR 772 Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Section 4f 23 CFR 771.135 Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Endangered Species Act 50 CFR 402.12(c) Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> Other _____ Prop./Plan Ref. _____			
4. Have all permits for the project been secured?			
5. Is the contractor responsible for obtaining any permits or external agency approvals for this project? Permit/Agency Approval _____ Prop./Plan Ref. _____			

Comments:

RIGHT OF WAY & UTILITIES

Checklist Item	Yes	No	N/A
1. Has all Right-of-Way for the project been secured? 23 CFR 635.309 <input type="checkbox"/> Right-of-Way Certificate Date Approved _____ Proposal Ref. _____			
2. If the Right-of-Way will not be clear prior to authorization, are proper stipulations contained in the proposal? Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Restrictions on the contractor Proposal Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> Estimate of when the Right-of-Way will be clear Prop. Ref. _____			

3. Is the project located within 2 miles of an airport? 23 CFR 620.103 Y <input type="checkbox"/> N <input type="checkbox"/> Coordinated with FAA Y <input type="checkbox"/> N <input type="checkbox"/> Vertical clearance adequate			
4. Have utility agreements for all utilities affected by this project been completed and approved?			
5. Have all utilities affected by this project been relocated or will be relocated prior to advertisement? Utility Clearance Note Proposal Ref. _____			
6. If all utilities have not been relocated prior to advertisement, does the proposal include a special provision stipulating utility coordination with the prime contractor for each utility? For each utility relocation coordinated with the prime contractor, provide the utility name, relocation date specified in the utility agreement, and a proposal reference: Utility Co. Name: _____ Relocation Date: _____ Prop. Ref. _____ Utility Co. Name: _____ Relocation Date: _____ Prop. Ref. _____ Utility Co. Name: _____ Relocation Date: _____ Prop. Ref. _____			
7. Does the project require use of or adjustment of railroad facilities? 23 CFR 646 Y <input type="checkbox"/> N <input type="checkbox"/> Railroad Agreement approved Y <input type="checkbox"/> N <input type="checkbox"/> Liability Insurance requirements provided in proposal Proposal Ref. _____			

Comments:	
-----------	--

PLANS & SPECIFICATIONS

Checklist Item	Yes	No	N/A
1. Have all comments and issues from previous review reports, meeting summaries, etc. been satisfactorily addressed?			
2. Do the contract plans describe the location and design features and the construction requirements in sufficient detail to facilitate construction and the estimation of construction costs of the project? 23 CFR 630.205 Do the contract plans contain the following: Y <input type="checkbox"/> N <input type="checkbox"/> Title Sheet Y <input type="checkbox"/> N <input type="checkbox"/> Typical Sections Y <input type="checkbox"/> N <input type="checkbox"/> Summary of Quantities Y <input type="checkbox"/> N <input type="checkbox"/> Plan Sheets Y <input type="checkbox"/> N <input type="checkbox"/> Profile Sheets Y <input type="checkbox"/> N <input type="checkbox"/> Drainage Sheets Y <input type="checkbox"/> N <input type="checkbox"/> Cross Sections Y <input type="checkbox"/> N <input type="checkbox"/> Traffic Control Plans Y <input type="checkbox"/> N <input type="checkbox"/> Signing Plans Y <input type="checkbox"/> N <input type="checkbox"/> Lighting Plans Y <input type="checkbox"/> N <input type="checkbox"/> Traffic Signal Plans Y <input type="checkbox"/> N <input type="checkbox"/> Special Detail Sheets			

Y <input type="checkbox"/> N <input type="checkbox"/> Structure/Bridge Plans Y <input type="checkbox"/> N <input type="checkbox"/> Utility Relocation Plans Other _____			
3. Does the design conform to Federal-aid design standards for geometric and structural design of highways and/or STA policy and guidance manuals? 23 CFR 625			
4. Are any design exceptions incorporated into this project? 23 CFR 625.3(f) Design Exception: _____ Y <input type="checkbox"/> N <input type="checkbox"/> Reviewed and approved by the STA and FHWA (if applicable per current State DOT/FHWA Stewardship Plan) Date Approved _____			
5. Does the project involve new or revised Interstate Access? Y <input type="checkbox"/> N <input type="checkbox"/> Interchange Justification/Modification Study approved by FHWA Date Approved _____			
6. Are Right-of-Way, easement, and control of access lines shown on the plans?			
7. Is the Right-of-Way acquired adequate to facilitate construction of the project?			
8. Are all traffic control devices provided with this project consistent with the current edition of the Manual on Uniform Traffic Control Devices (MUTCD)? 23 CFR 655.603			
9. Is a temporary traffic control plan provided and consistent with regulations on Work Zone Safety & Mobility as described in 23 CFR 630 (J)? Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> N/A <input type="checkbox"/> Transportation Management Plan (TMP) Approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____			
10. Are the clear zone and safety appurtenances provided for this project in accordance with the current edition of the AASHTO Roadside Design Guide?			
11. Are appropriate accommodations provided for bicyclists and pedestrians along the project and intersecting roadways? 23 CFR 652			
12. Are pedestrian facilities designed in accordance Americans with Disabilities Act requirements? http://www.access-board.gov/			
13. Does the project utilize the current version of Standard Drawings?			
14. Are local standard drawings, sepia drawings, or special details incorporated into the project? Prop./Plan Ref. _____ Y <input type="checkbox"/> N <input type="checkbox"/> Reviewed and approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____			
15. Does the project utilize the current version of the State Standard Specifications?			

<p>16. Are local specifications or supplemental specifications utilized on the project? Proposal Ref. _____ <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Reviewed and approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____</p>			
<p>17. Are all pay items covered by an appropriate specification that agrees with the plans for basis of payment?</p>			
<p>18. Are any materials to be supplied by the Local Public Agency or the State? 23 CFR 635.407 Material: _____ <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Public Interest Finding (PIF) approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____</p>			
<p>19. Are patented or proprietary materials shown in the plans or specifications? 23 CFR 635.411 Material/Product: _____ <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Use of Material approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____</p>			
<p>20. Is state or local force account construction work to be utilized on this project? 23 CFR 204 <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cost Effective Determination approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____</p>			
<p>21. Are experimental features utilized on this project? (Federal-aid Policy Guide G 6042.4) Experimental Feature: _____ <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Work Plan approved by the STA and FHWA (if applicable per current STA/FHWA Stewardship Plan) Date Approved _____</p>			
<p>Comments:</p>			

ESTIMATE

Checklist Item	Yes	No	N/A
1. Does the estimate include a pay item for all work included in the plans?			
2. Are all estimated unit prices reasonable and comparable to average unit bid prices or construction industry trends?			
3. Are Federal-aid non-participating items included in this project? Y <input type="checkbox"/> N <input type="checkbox"/> Non-participating items separately listed in the estimate and/or plans items include: _____			
4. Is the amount of the estimate consistent with the amount of Federal-aid funding requested for the construction phase?			

Comments:

PROPOSAL

Checklist Item	Yes	No	N/A
1. Is the FHWA-1273 Required Contract Provisions for Federal-Aid Construction Contracts included? 23 CFR 633.102 Proposal Ref. _____			
2. Are Equal Employment Opportunity (EEO) special provisions included? Proposal Ref. _____			
3. Does the proposal contain a Disadvantaged Business Enterprise (DBE) goal? 23 CFR 635.107 & 49 CFR 26 DBE Goal: _____ Proposal Ref. _____			
4. Is a non-collusion provision included? 23 CFR 635.112(f) Proposal Ref. _____			
5. Are standardized changed condition clauses included? 23 CFR 635.109 Specification/Proposal Ref. _____			
6. Are training special provisions included? Proposal Ref. _____			
7. Are the minimum wage rates determined by the United State Department of Labor included? 23 CFR 117(f) Proposal Ref. _____			
8. Are the Buy America Act Provisions included? 23 CFR 635.410 Specification/Proposal Ref. _____			
9. Is the contract time/completion date realistic and adequately supported? 23 CFR 635.121 Proposal Ref. _____ Completion: Date / Work Days / Calendar Days (Circle One)			
10. Does the proposal contain incentive/disincentive clauses? Proposal Ref. _____			

Comments:

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (RECOVERY ACT)

This category of items will ensure contract documents for projects utilizing Recovery Act funds satisfy additional requirements and include the necessary provisions as set forth in the Recovery Act. For additional guidance and information related to the Recovery Act, please visit www.fhwa.dot.gov/economicrecovery/index.htm

Checklist Item	Yes	No	N/A
1. Is this project included in Section 1511 Certification and is the information accurate?			
2. Does the contract package for the project include provisions regarding the special reporting requirements of the Recovery Act?			
3. Does the contract package for the project include a provision to override the general applicability provisions in form FHWA-1273, Section IV and V? Note that Davis-Bacon Prevailing Wage Rate requirements shall apply to all Recovery Act funded construction projects regardless of location / roadway classification. Proposal Ref. _____			
4. Does the contract package require installation of Recovery Act Project Construction Signing?			
5. Does the contract package for the project include a provision for Section 902 regarding U.S. Comptroller General authority?			
6. Does the contract package for the project include a provision for Section 1515 regarding Inspector General authority?			

Comments:

Billing/Payment Process of State and Local Governments Division Office Checklist

Division Offices: Please use the following checklist to assist you in assessing compliance related to claims for reimbursement and payment in your state. This checklist will also help prepare you in responding to questions raised during subsequent outside reviews of various agency-identified high risk areas. While these review team members will have some level of familiarity with the FHWA billing processes and procedures, the Division Offices are responsible for ensuring compliance with all applicable Federal requirements by State, local and other subrecipient entities receiving Federal-aid funds.

Review of State DOT billing/payment process

- Does the Division conduct periodic billing transaction reviews (other than the required IPIA review)?
 - If no, how does the Division verify billings submitted through RASP are accurate/supportable?
- If the Division performs periodic billing transaction reviews:
 - How current is the latest review?
 - Have all findings been satisfactorily resolved?
 - Have there been any changes to the billing system/process since last assessment?
 - What is the Division/State doing to address any concerns resulting from these changes?
 - Has resolution to concerns been tested?
 - Are results of tests conclusive? Sufficient?
 - Were the review, results, and follow-up documented?
- Does the Division insure credits have been applied when an Ineligibility Notice has been issued? Is documentation of the credits maintained?
- Is the State implementing a new accounting and billing system or billing module?
 - Has the Division been working with FHWA FST to mitigate risks of new system implementation?
 - What conclusions have been reached regarding evaluations of new billing modules?
 - Have all applicable concerns been satisfactorily resolved/mitigated?
 - Is resolution satisfactorily documented?

Review of State DOT Local Project Administration (LPA) billing/payment process

- Does the State DOT have written procedures for processing claims for reimbursement submitted by subrecipients of Federal funds?
- Does the State DOT reimburse the local agency according to their procedures and in a timely manner?
- Does the State DOT have a systematic process of auditing the claims submitted by local agencies? If so, please briefly describe the process.
- Does the LPA accounting and billing process comply with generally accepted accounting principles and standards of internal controls?
- Does the documentation submitted by the local agencies support the claims for reimbursement?

- Does the State or Local Agency have an audit function that reviews final claims for locally administered federal-aid projects?
 - Are these final claims supported with audit reports and do they accompany the claim?
 - Do persons with authority to take appropriate action receive and review the reports?
 - How does State or Local Agency handle the disposition of significant findings that impact the claim for Federal funds?
 - Has the quality of these audits been determined and what were the results of this review?
- Did the State or local agency have any Single Audit findings involving Federal-aid billing processes?
 - If so, were findings satisfactorily resolved and documented?

Review of Miscellaneous FAHP recipients not run through the State's billing system

- Does the Division periodically review claims for reimbursement from recipients of Federal Funds who do not use the current billing process RASP (Recreational Trails for example)?
- Periodic billing transaction reviews performed by the Division Office:
 - How current is the latest review?
 - Have all findings been satisfactorily resolved?
 - Have there been any changes to billing system/process since last assessment?
 - What is the Division/State doing to address any concerns resulting from these changes?
 - Has resolution to concerns been tested?
 - Are results of tests conclusive? Sufficient?
 - Were the review, results, and follow-up documented?
- Does the Division insure credits have been applied when an Ineligibility Notice has been issued? Is documentation of the credits maintained?
- Does the recipient's accounting and billing process comply with generally accepted accounting principles and standards of internal controls?
- Does the documentation submitted by the recipient support the claims for reimbursement?
- Does the recipient have an audit function that reviews final claims for federal-aid projects not processed through the state DOT's billing system?
 - Are these final claims supported with audit reports and do they accompany the claim?
 - Do persons with authority to take appropriate action receive and review the reports?
 - How does the recipient handle the disposition of significant findings that impact the claim for Federal funds?
 - Has the quality of these audits been determined and what were the results of this review?
- Was the recipient subject to the Single Audit requirements under OMB A-133?
 - Were there any findings involving Federal-aid funds?
 - Were the findings adequately resolved and documented?

Indirect Costs of State and Local Governments
Division Office Checklist
March 10, 2009

Division Offices: Please use the following checklist to ensure you are prepared to respond to questions related to Indirect Cost Allocation in your state.. There will likely be subsequent outside reviews of various agency-identified high risk areas, and they will be using the same checklists in their evaluations. While these review team members will have some level of familiarity with the various federal cost principles, the Division Offices, as cognizant agency for indirect cost allocation, are responsible for ensuring compliance with all applicable Federal requirements by State, local and other subrecipient entities receiving Federal-aid funds.

Annual approval of State DOT indirect cost allocation plan (ICAP) and indirect cost (IDC) rate(s) (if applicable)

- Has Division Office approved current ICAP and IDC rates for use by State DOT?
- Was the ICAP submitted and approved in a timely manner?
- Is there documented evidence of review of the ICAP submittal in the Division Office files?
- Did the Division utilize the Health and Human Services, FHWA ICAP Review Guide, or other appropriate checklist to determine that the State's ICAP conforms to the requirements of 2 CFR 225?
- Has an agreement been executed by both the State DOT and FHWA Division?
- Is the State DOT observing the FHWA prohibition on indirect cost projects? (see Indirect Cost Policy memo: FHWA Indirect Costs May 5 2004)

State's responsibilities for Local Public Agency (LPA) ICAP and IDC rate approvals

- Is the State aware of, and is it exercising its responsibilities for negotiation and monitoring LPA ICAPs, in accordance with 23 USC 106(g)(4) and 2 CFR 225 Appendix E(D)(1)(b)?
- Are there any LPAs for which the State is not exercising this responsibility?
 - If yes, identify steps being taken to ensure compliance.
 - Are the follow up steps tied to the Office of Infrastructure's LPA corrective action plan?

Other subrecipients with ICAPs

- Has the State exercised its responsibilities regarding non-profit ICAPs (per 23 U.S.C. 106(g)(4)(A)(ii)) and their compliance with 2 CFR 230?
- Is the State aware of the most recent approved ICAP for universities? (likely approved by either HHS or the Office of Naval Research, depending on who provides the most federal funding)?

Effects of infusion of ARRA funds on equity of indirect cost allocation to all benefiting cost objectives (2 CFR 225 Appendix A(F)(1), Appendix E(D)(2)(c) and (D)(3)(e))

- States – Has the Division discussed impacts of ARRA funding infusion on the continued equity of distribution of indirect costs to all benefiting cost objectives, including FAHP and ARRA funded projects?

- If applicable, have risks been appropriately mitigated? (This will likely involve either not allowing any charging of indirect costs to ARRA funded projects for the remainder of the State's FY 2009 or taking necessary steps to adjust rates for the remainder of FY 2009 to take into account the increased infusion of Federal funds and to avoid unnecessary over recovery of indirect costs)
- LPAs – Has the Division discussed potential impacts of ARRA funding on LPA administered projects where indirect costs are involved?
- Does the State have plans to adequately address risk of effects on FAHP and ARRA funded projects?

Periodic checking of rate application to Federal-aid projects

- Has the Division verified that IDC rates are properly charged to FAHP and ARRA funded projects, in accordance with current FHWA approval letter, and/or subsequently modified rates to mitigate effects of ARRA infusion of funding
 - For State administered projects?
 - For LPA administered projects?
- Is the State charging indirect costs to projects funded with Emergency Relief funds?
 - If so, has the Division ensured that such allocations do not result in a "windfall" of federal funding to the State?
 - Has the Division documented efforts to avoid over recovery of indirect costs to the ER program, such as special ER indirect cost rate(s) being developed?